

**FISCAL YEAR 2000 BUDGET
OF
CHRISTINE TODD WHITMAN
GOVERNOR OF NEW JERSEY
TRANSMITTED TO THE SECOND ANNUAL SESSION
OF THE TWO HUNDREDTH AND EIGHTH LEGISLATURE**

Mr. President, Mr. Speaker, Members of the Legislature:

We meet today in the people's house to fund the people's priorities.

Our economy is strong -- 325,000 jobs stronger than when I took office. What's more, our revenues have grown along with our economy.

Our fiscal strength might tempt us to loosen the purse strings. As a wise person once said, "Prosperity is a time when people buy things they can't afford."

But I would argue that prosperity is a time to be even more careful with the taxpayers' money.

Members of the Legislature, as I said in my State of the State address, we must put the people first. We must recognize that fiscal discipline is the only way we can provide substantial tax relief to the homeowners of New Jersey.

So, before I say a single word about the details of my budget proposal, let me state right up front: property tax relief must be the highest priority of this legislative session.

So let's get this done. Let's show taxpayers we mean what we say.

Mayors and taxpayer groups support our billion-dollar property tax relief plan. Homeowners struggling with high property tax bills support it, too. And, I am glad to say, members from both sides of the aisle have voiced approval.

We are in agreement not only with each other but with the writer Dorothy Parker, who once stated that the two most beautiful words in the English language are "check enclosed."

And while we're on the subject of keeping promises, let me send a word to our auto insurance companies. This Governor and this Legislature are going to hold you to the promise we made last year. I meant what I said and I said what I meant: you must save good drivers a full 15 percent.

Ladies and gentlemen, the 19.2 billion dollar budget I am proposing today is balanced, responsible, and ambitious. Once again, it lowers our structural deficit. And with this budget, our six-year average growth rate is lower than that of any administration in at least the past three decades.

In government, the budget is the message, and our message is clear: we have our priorities straight.

As I will discuss today, this proposed budget invests in our schools and helps keep college affordable. It promotes the health and safety of our young people. It helps our cities achieve their enormous potential. It moves more people off the welfare rolls. It improves our roads and bridges. And it expands our commitment to law and order with new investments in police, prosecution, and parole.

But that's not all this spending plan accomplishes. It also fulfills our commitment to provide more support to seniors and caregivers.

GOVERNOR'S MESSAGE

It allows community providers to keep up with the cost of living.

It increases our capital budget by more than 15 percent to meet vital goals such as clean water and well-maintained parks. It sets aside a three-quarters of a billion dollar surplus, which includes a record amount in our rainy day fund. And it returns to the taxpayers that which is rightfully theirs.

In fact, with your help, this budget will return 577 million more dollars to the communities of this state. More school aid. More municipal aid. Most important, this increase includes over 220 million dollars in direct relief to our homeowners.

We are making an historic commitment to property taxpayers in this budget. But I want to be clear: it is not enough simply to provide property tax relief. We must do all we can to promote property tax reform.

Property tax relief will demand hard choices here in these chambers. Property tax reform will demand hard choices in every municipal building and city hall, at every school board and fire district meeting.

The people of our state must take part in that process.

Our citizens should be asking why New Jersey -- the most densely populated state in the country -- spends more than any other state to bus a child to school. Citizens should ask, does New Jersey really need 1,600 separate units of local government?

Why is it that one New Jersey county has less land and one-ninth the population of New York City but has more fire trucks than all of the Big Apple? Should we really have more than 600 school districts when we don't even have that many towns in the state? And why on earth do

we still have 23 school districts that don't even have a single school?

Real reform is going to require really tough choices at the local level.

So having said that, let me give you an idea of what I mean: Why don't we fix our fragmented and inconsistent system of property assessment, which forces some homeowners to pay more than their fair share? Why don't we act on a Property Tax Commission recommendation and move property assessment from the municipal to the county level? And let's have the State pay the freight.

I know that some people will want to maintain the status quo because they benefit from it. But this proposed reform would make the system more efficient, more equitable, and save money in every town.

New Jersey taxpayers, if that kind of reform makes sense to you, then get involved. Show up for your town council and school board meetings. Make it a point to vote in your local elections. Support your elected officials when they call for consolidating services, and demand that they stretch your tax dollars as far as possible.

Mayors need all the support they can get.

Take, for example, the Hudson County mayors who decided to merge their fire services. Instead of widespread acclaim, they faced organized pickets at their homes, personal attacks, and full-page newspaper ads criticizing their plan.

These courageous mayors met that opposition head-on. And they created a new fire service that will be even more efficient and save the taxpayers millions of dollars each year.

I want to acknowledge them today. Mayor Albio Sires of West New York, Mayor Nicholas Sacco of North Bergen, Mayor Richard Turner of Weehawken, and Mayor Rudy Garcia of Union City.

These mayors are doing their part. And with the Legislature's approval, the State will do its part with up to 35 million dollars in incentives from the REAP and REDI programs championed by Assemblymen Leonard Lance, Paul Kramer, Scott Garrett, and Joe Roberts.

It's time to start handing out aid as a reward for doing the right thing to promote government reform. So this budget makes REAP and REDI the bulk of new State aid to local governments.

As we do that, I also propose we scale back discretionary aid and transform it into what we're calling "extraordinary aid." This 20 million dollar account will be used to help mayors in towns facing catastrophic events and true emergencies.

REAP and REDI will reward municipalities for sharing services or, for that matter, even planning for consolidation. Best of all, homeowners will see the aid from REAP as a direct credit on their property tax bill.

Mayors of New Jersey, I challenge you to deplete our REAP and REDI funds. I promise to replace the money as soon as you do.

I also call upon every citizen to give reform a chance. The next time your mayor or school board suggests a way to cut costs and save tax dollars, hear them out. The money you save will be your own.

You have already made your voice heard on an issue of tremendous importance. Last November, you said yes to land preservation.

With this budget, we continue our journey toward 1 million acres. Today, I make good on

my proposal that, as part of the stable source, we make a ten-year, 100 million dollar commitment to park development in our cities and all around the Garden State.

In fiscal year 2000, we will tap the first 10 million dollars of that commitment. We will also spend an additional 3.5 million dollars to hire 100 more park rangers and maintenance staff at our state parks, forests, and recreation areas. What's more, I have included 12.4 million dollars for renovating buildings and constructing new facilities at our state parks.

If anyone doubts that the people of our state are dedicated to our million-acre preservation goal, just stay tuned. It's only been two weeks since we announced the Garden State Open Space Registry, and already two corporations have contacted us about preserving their land.

And let me read to you this letter I received earlier this month from Al Pramuk of Teaneck. He wrote, "Dear Governor Whitman, Your admirer, in his nineties, is most interested in your noble project to keep our state green... Enclosed is my check for one hundred dollars toward the implementation of your plan."

Mr. Pramuk couldn't be here, but I want to publicly thank him today.

As you see, citizens and corporations are already stepping up to the plate on preservation. Now we should do more to encourage land donation from another key player: our communities.

With this budget, we will give cities and towns added reason to help preserve open space by including an additional 2.2 million dollars in payments in lieu of taxes. These checks will offset more of the money towns sacrifice in property tax revenues when land is preserved for State parks or wildlife areas.

GOVERNOR'S MESSAGE

As you know, we fought hard for another New Jersey treasure -- Ellis Island. Let's fight just as hard to make it the showcase America deserves. Our capital budget sets aside 2 million dollars for us to work with the National Park Service and private donors to stabilize and restore badly neglected buildings on this gateway to America.

Just as we accept the challenge of helping restore Ellis Island to glory, we continue to make revitalizing our cities a priority.

We in New Jersey invest heavily in our cities. As you know, my administration set up an Urban Coordinating Council four years ago that now is working in partnership with 16 communities around the state to chart a better future. What's more, last year alone our development agencies committed over 1 billion dollars in various forms of aid in our cities.

We call our approach the urban toolkit, an effort to chisel away at the problems that keep our cities from reaching their potential.

We've made it easier to convert polluted industrial sites to productive use.

We're moving full-speed ahead with our 400 million dollar urban redevelopment program that converts boarded-up eyesores and vacant lots into new homes and businesses.

We've helped thousands of urban families become homeowners.

Our faith-based initiative is giving community groups around New Jersey the technical and financial help they need to improve their neighborhoods.

Why does all of this matter? Clearly, to the people of our cities, it means a better life. But strong cities are important to all of us. If our cities fail, we all pay for it no matter where we live. It's just good economic sense to make them safe, productive, and prosperous.

We need to take stock of our effort. We need to know where we stand and what we can do better. I want to hear from those who lead our cities -- from mayors and police chiefs to school superintendents and nonprofit providers. I want to consult community stakeholders and statewide urban leaders as well.

So I am pleased to announce that this year I will convene a Governor's Urban Summit. This summit will focus on answering these questions: How can we build on our successes and improve the partnership embodied in our urban agenda? What's more, how can we make even better use of State resources to help our cities?

And while we are doing that, I propose we add two more programs to our urban toolkit. They are based on a long-held belief in the strength of a diversified neighborhood. Attracting all income groups to our cities in turn encourages restaurants, theaters, and stores to locate there. That way, a neighborhood becomes not just a collection of homes, but a community, where people have a stake in making the city safe and inviting for everyone.

The first new tool is our Downtown Living Initiative. With 7.5 million dollars, we will offer low-interest loans to help developers reintroduce middle-income households to urban neighborhoods.

We've already seen what this can do for our cities. In New Brunswick's Hiram Market area and Morristown's Chancery Square, we've recently helped more than 200 families by building some of the first market-rate rental housing these communities have seen since the 1970's. These efforts are helping people rediscover the excitement and convenience of city life while boosting the urban economy.

We're also going to steal an idea from the University of Pennsylvania, where they offer incentives for faculty and staff to live near the

school. This is helping revitalize West Philadelphia and fill the gap between the school and its neighborhood.

New Jersey's urban campuses are already rethinking their relationship to the neighborhoods that surround them. Working together, we can help them. I propose we invest 2.5 million dollars in a special homebuyers' fund to help faculty or staff members locate in target areas around our urban public colleges and universities in the Garden State.

Let's make our cities not only great places to visit but also great places to live and learn.

Let's also continue to make them -- and every community -- safer.

We can be proud of our record on crime. Today, we're putting more dangerous criminals behind bars, and for longer periods of time.

But we must remain vigilant about supporting the dedicated men and women at every step of the criminal justice system -- from the cop on the beat to the county prosecutor, from the corrections officer to the parole officer.

Together, with this budget, we will do just that.

For example, we know that prosecutors have hesitated to conduct the DNA testing that can crack a case wide open because they can't afford it. We need to make it easier for prosecutors to make their case, and with this budget we will.

I am proposing that, for the first time, we help our county prosecutors by picking up the cost of all necessary DNA testing.

This budget will also pay for random testing to enforce a policy that we all can support: zero tolerance for drugs in our prisons.

What's more, it will allow us to add parole officers around the state to keep a close watch on the most high-risk cases.

You've heard me say this before, but I believe that no state in the country has the talent and commitment that our State Troopers bring to their jobs every single day.

To replenish their ranks and keep our citizens safe, we will train another State Police contingent of 100 candidates in fiscal year 2000. As I announced last month, we will hold two classes of 50 every year and ratchet up our efforts to make sure our force reflects the population of New Jersey.

We also need to address a problem every parent and every teacher fears, and too many have to face: young people who turn violent.

We already have round-the-clock crisis intervention units in every county as part of the family court system. They do a great job of stabilizing flare-ups between youngsters and their families and help them find long-term counseling. They can talk troubled teens out of a mistake they will soon regret.

Let's make the most of this asset. Let's amend State statutes to extend the jurisdiction of crisis intervention units to include children deemed at risk of violence. And let's provide funds in this budget to help these crisis units gear up for the expanded role they will play.

That's not all we need to do. A sad truth about youth violence is that a today's victim is more likely to become tomorrow's perpetrator. So today I am proposing funding to train trauma center staffs and Emergency Medical Technicians to get young victims the counseling they need, as quickly as possible.

GOVERNOR'S MESSAGE

I recommend we also include funds to allow the Commission to Deter Criminal Activity to launch a prevention campaign aimed at helping young people steer clear of violent behavior. We're fortunate to have with us today Commission member Joe Piscopo, who will use his talent to help raise public awareness about this important issue. Thank you, Joe.

We need to respond to the warning signs of youth violence. We also need to heed another kind of warning sign: the one on the side of every cigarette pack.

We know that, every year, more than 30,000 young people in New Jersey take up smoking. Why do they start? Some of it is peer pressure. Some of it is risk taking. But a lot of it is the powerful media messages they get from the tobacco industry.

Late last year, New Jersey joined with other states in settling a multibillion dollar lawsuit against the major tobacco companies.

We were among the first states to wage that lawsuit. We got involved to recover taxpayer dollars that have been spent over the years on smoking-related illnesses. We must make absolutely certain that we spend those dollars on health-related programs.

With this budget, I propose using more than 46 million dollars in tobacco settlement funds to create new initiatives and to significantly expand upon current ones. We will, for example, increase cancer detection and screening among minorities and give seniors and caregivers more choices for long-term care.

We owe it to those who died as a result of their addiction to cigarettes to prevent as many of our citizens, especially our kids, from meeting the same horrible fate. So let's dedicate a substantial portion of the settlement funds for education, treatment, and research.

I am pleased to propose that we invest 18.6 million dollars this year in tobacco control efforts, including our Youth Anti-Smoking Awareness Campaign.

We may have retired Joe Camel to the desert, but the tobacco companies haven't deserted their attack on impressionable young minds.

This campaign will combat their attack with messages that encourage youngsters to stay away from cigarettes or, if they're already smoking, to quit the habit.

One young person here today has already heard the message. Her name is Lauren McEntee, and she's a 7th grader at the North Arlington Middle School. She won an award in our essay contest last year on "Why Smoking Stinks," and I've asked her to read from that essay today.

Thank you, Lauren.

Lauren summed up my attitude precisely: we need to be a lot more assertive in attacking the problem. Let's give tobacco the hook before they hook our kids on tobacco.

And while we're at it, I want to applaud the folks at Rock Ridge Pharmacy in Glen Rock who decided last week to stop selling cigarettes altogether. As the pharmacy owner, Matthew Kopacki, put it, "It's just not right to be supporting an addiction that is killing people."

As you know, in future years our state will receive about 300 million dollars annually in tobacco settlement funds. We have an obligation to be accountable, and to accomplish something meaningful to improve the health of our citizens.

I know that many legislators have good ideas about how we use these funds. I look forward to working with all of you to establish a framework that focuses on the health of our families, especially our children.

Let me tell you how I think we ought to use this money.

I propose we put together a long-term plan for using tobacco settlement funds to improve children's health in our cities. Research tells us that the first months of life are critical to a child's long-term development. So we will work with the Association for Children of New Jersey to help cities target improvements in three vital categories: prenatal care, birth weight, and infant survival.

And let's also use this money to address another critical health need. Last year, I met with mothers in Camden County who told me that, in their part of the state, the only way a teenager can get real help overcoming a drug problem is to commit a crime.

That has to change, and it will. Soon, with federal block grant and county support, we will be able to open South Jersey's first long-term drug treatment center for adolescents. I look forward to working with Senator John Matheussen, who has been such an effective advocate in this area.

But this is just a start. I propose that we expand service not only at this center but across the state as a major focus of our tobacco settlement funds.

Around the country, states are grappling with how to spend their windfall. Let's work together to set a national standard for using these dollars for the right purpose. Let's give our kids a healthier start.

All our young people deserve that -- and more. They ought to be able to grow up in a welcoming neighborhood. They deserve good schools and safe places to play. And we all benefit when their parents have good jobs and hopes for a bright future.

That's why we can be proud that more New Jerseyans are working than ever before. And that we've seen the welfare caseload plummet 45 percent since I took office.

But even with this remarkable record, some people continue to make welfare a way of life. We need to get them off the welfare rolls forever.

This budget initiates what we call the 21st Century Community Partnership. With State funds, community-based organizations in Newark, New Brunswick, Trenton, Camden, and Jersey City will help hard-to-place welfare recipients tackle the problems that stand between them and a full-time job.

With this project, we're giving community groups more control and decision-making power. Why? Because they're closest to the problem and because they know what will work best from city to city.

With this budget, we will also provide State matching funds for a 34 million dollar welfare-to-work initiative that will reach the thousands of people who've been on welfare the longest. It will also make sure that non-custodial parents find a job and pay child support.

With programs like these, we're taking aim at recipients who have made the public dole their lifestyle. It's time to replace their welfare check with a paycheck.

We want to help improve the lifestyle of another important part of the New Jersey family: people with developmental disabilities.

We can take great pride that, working together, we have met the needs of every single person with a developmental disability who was on the urgent waiting list for community placement when I took office. In fact, we have made twice as many placements as any previous administration.

GOVERNOR'S MESSAGE

While closing institutions was not a popular decision, I believe it was the right one. But I would like you to hear that from someone closer to the issue.

Lee Weider's son Michael is 41 years old. When Michael was seven, Lee placed him in an institution. As tough a decision as that was, Mr. Weider was even more troubled when he heard that North Princeton Developmental Center was closing. He became one of many opponents of the closure.

As Lee put it, "I responded with stark-raving fear. I said he would never make it."

Today, Michael lives in a group home in Brick operated by The Arc, and both he and his father couldn't be happier. Michael is busy and thriving, with a social life that includes dances at the Arc every Friday night. And, after putting 5,000 extra miles a year on his car for three decades visiting his son, Lee Weider is now only 10 minutes away.

Lee says: "He used to follow me all around and not leave my side. Now I stop in at the dances and when Michael sees me, he gives me a little peck on the cheek and then he's off."

"I underestimated Michael. He does things I never thought he could do."

Lee Weider is here with us today, and I want to thank him for sharing his story.

We need to generate more success stories like this. So this budget proposal includes 15 million dollars to create 500 new residential and 400 new adult day program placements. This is the second installment in our plan to end the waiting list by the year 2008.

Moreover, this budget provides new family-support funding to help families care for their loved ones at home rather than in a residential setting. And it allows us to hire more case

managers to give people with disabilities the help they need to move into community residences.

Let me take a moment to acknowledge Senators Lou Bassano and Tony Bucco and Assemblyman Mel Cottrell, who have been such staunch advocates for people with developmental disabilities.

As we have just shown, budgets are about meeting the needs of individuals and families. But they are also about addressing the priorities of our state -- and in particular our need to maintain a strong economy.

This budget recognizes that in order to continue our momentum in creating jobs, we need a sturdy infrastructure of roads and bridges and ports, as well as a highly skilled and well-educated workforce.

Over the past five years, we have made an unprecedented investment in our transportation system. Now, with this budget, we can do even more. This budget increases the cap on Transportation Trust Fund spending, enabling us to invest 900 million dollars in projects in fiscal year 2000.

This money will enable us to move ahead on important goals, including pedestrian safety and the repair of crumbling and unsafe bridges.

Let me be clear: this is not a long-term fix. We still need to work together to reauthorize the Trust Fund before it expires in June of 2000. I look forward to working with Transportation chairs Alex DeCroke and Andy Ciesla on this essential issue.

In the meantime, we will not be able to do all the projects I outlined when I made my original proposal last spring.

But let's not hesitate to jump-start a key project for the future of our state: construction of the Portway.

You and I know that our state's economic health depends on our best efforts to keep our ports competitive. Thanks to our delegation on Capitol Hill, we secured 60 million dollars in federal funds to modernize the Port of New York and New Jersey.

Let's reap all we can from that port by making the Portway a priority. With this special truck service corridor in place, companies will find distributing their products faster and easier. Our goal should be nothing short of this: to make New Jersey the port of call for the world.

We should also set a goal of making our schools world-class. To make our six-billion dollar investment in public education worth every penny.

This budget increases aid to public education by 317 million dollars. Some of this increase will fix the imbalance that existed for years because the formula did not reflect changes in enrollment. Now the money will go where the children are.

Speaker Collins has taken the lead in addressing the desperate need for new and renovated schools. Because of his efforts, we have put a total of 82 million dollars aside for new school construction.

This money will help us carry out our plan to create a 2.6 billion dollar construction fund for the Abbott districts, and spend as much as 2.7 billion dollars to share the cost of school construction with other districts in the state.

And because children should come to class hungry for knowledge, not for food, we are including funds in this budget to give 22,000 more needy students a school breakfast.

This budget truly reflects our commitment to children. Fully one-third of it is dedicated to education. No other administration or Legislature has ever committed so much of the state's resources to our schools.

With this budget, our billion-dollar commitment to higher education also grows. Today, I am proposing a 70 million dollar, five-point plan for keeping college affordable.

First, this budget proposal makes the second installment on my pledge to our county colleges by again increasing their operating aid by 12 million dollars. And I call on them to continue to hold the line on tuition.

Next, this budget increases aid to our independent colleges and universities, which play a key role in educating New Jersey students.

Third, my plan helps families pay for college by adding a total of 11 million dollars to our Tuition Aid Grant and Outstanding Scholars Recruitment Grant programs.

And as we do, I want to applaud the support for TAG shown by this Legislature, in particular by Senators Joe Kyrillos and Wynona Lipman and Assemblymen Dave Wolfe and Joe Malone.

The fourth point of my plan responds to what college presidents, public and independent, told me was their number one priority. It supports our 550 million dollar bond program for deferred maintenance and other capital projects on their campuses.

What will this mean to these institutions? Well, at Kean University, they will be adding more classroom space. UMDNJ will use the bonds to establish a Child Health Institute. And Monmouth University will renovate its library.

GOVERNOR'S MESSAGE

Finally, I propose we increase operating aid for our senior public and research institutions by 3.5 percent -- more than double the rate of inflation. This substantial increase, when added to our half-billion dollar capital program and full funding of fringe benefits, should enable them to meet every family's priority: a tuition they can afford.

I've talked a lot today about setting priorities. About recognizing that how we spend our public dollars defines the values we share as a state.

So this budget invests in our families, our schools, and our environment. It provides for healthy bodies, good roads, and a solid economy.

This budget also funds another priority we share: making New Jersey a beacon of excellence in the arts. We know the arts are an integral part of any civilized society and every proud state. We know they play a significant part in tourism, our second largest industry. What's more, we've seen them breathe new economic life into cities like Newark and New Brunswick.

And, as proved by the gospel singers you heard earlier, the arts can truly stir the heart.

I am proud to announce my pledge to achieve a level of funding for the arts that honors our commitment to access and excellence. So with this budget, I am calling for a 3 million dollar increase for cultural projects funded by the process we have established through the State Council on the Arts.

And let me declare today that with your help, we will answer the arts community's call for "20 by 2000" by increasing State arts funding to an annual total of 20 million dollars by July of next year.

Ladies and gentlemen, this is my budget proposal for fiscal year 2000.

I look forward to working with Senate President DiFrancesco and Speaker Collins, with Appropriations chairs Bob Littell and Rich Bagger, with Democratic leaders Dick Codey and Joe Doria, and with all the members of this Legislature. Together, we can make this budget a reality and give our citizens the state government they deserve.

Citizens of New Jersey, it's been said that budgeting is telling your money where to go instead of wondering where it went.

With this budget, we're sending your money where it belongs.

In safe streets and healthy communities. In thriving cities and rolling meadows. In classrooms that inspire and concert halls that enthrall.

Most important, we're sending your money back into your pockets. That's our number one priority.

This budget is centered on the belief that you deserve property tax relief. The next step is up to you. Through your vigilance, through your insistence on accountability and creativity, you can help government at every level serve you better.

As a first step, I invite you to examine our spending plan, which we are posting on the State website and in libraries around our state. I think you will agree that it's a document which reflects the values we all share.

This budget moves us into the 21st century. It reflects where we've been and where we are headed. It addresses the needs of families from South Jersey to North Jersey, from the Delaware

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to the Atlantic. It speaks to the concerns of men and women from all walks of life and from every income level.

This is a spending plan that funds the people's priorities. It's a document that mirrors our hopes and dreams. And it's a vision of a New Jersey that we are all truly proud to call home.

Thank you.

Respectfully submitted,

Christine Todd Whitman
Governor of New Jersey

Attest:

John J. Farmer
Chief Counsel to the Governor
January 25, 1999